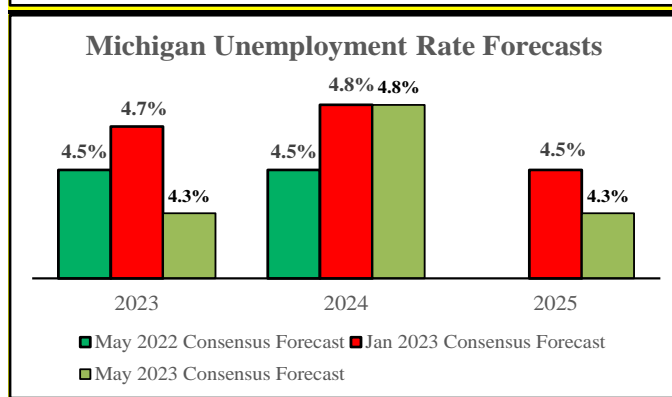
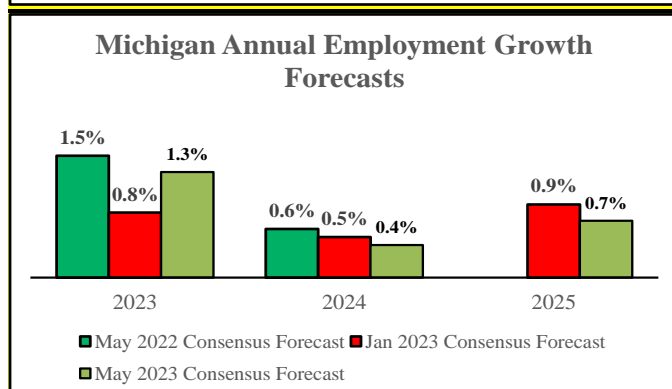
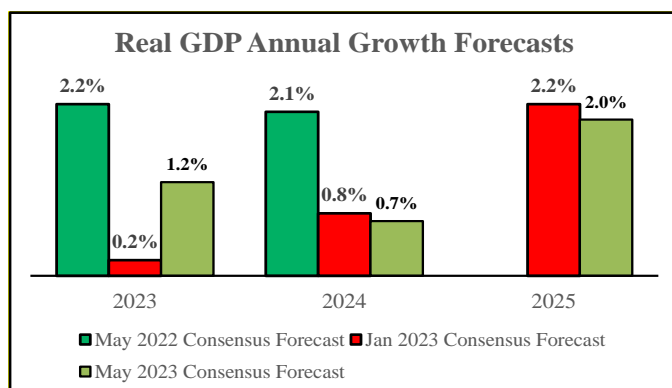




May 2023 Consensus Conference Economic Forecast

On May 19, 2023, the Administration, House Fiscal Agency and Senate Fiscal Agency met and agreed to a revised consensus economic forecast for calendar year (CY) 2023, 2024 and 2025. The May 2023 Consensus projects modestly stronger economic activity for 2023 than was forecasted in January 2023 and comparable economic activity for 2024 and 2025 as was forecast in January ⁽ⁿ⁾:



U.S. Economy

- As shown on the left, real GDP growth is forecast to rise 1.2 percent. Real GDP then grows a projected 0.7 percent in 2024 and 2.0 percent in 2025.
- After declining to 3.6 percent in 2022, the U.S. unemployment rate is forecast to rise to 3.7 percent in 2023, and to 4.2 percent in 2024 and then fall to 4.0 percent in 2025.
- After falling to 13.8 million units in 2022, light vehicle sales are forecast to total 15.1 million in 2023, 15.5 million in 2024 and 16.1 million in 2025.

Michigan Employment

- After plummeting 9.1 percent in 2020, Michigan employment rose 4.0 percent in 2021 and 3.9 percent in 2022.
- As shown on the left, Michigan employment is forecast to increase 1.3 percent in 2023, 0.4 percent in 2024 and 0.7 percent in 2025. Projected 2025 Michigan employment would be slightly higher than the actual 2019 Michigan employment level.

Michigan Unemployment Rate

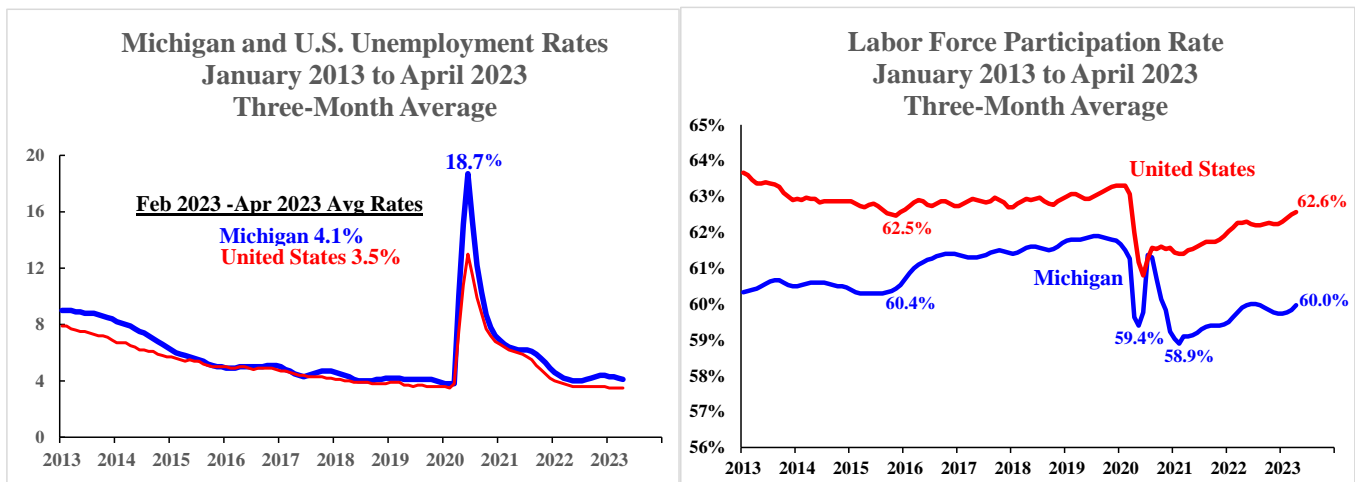
- After soaring to 10.0 percent in 2020, Michigan's average annual unemployment rate fell to 5.8 percent in 2021 and to 4.2 percent in 2022.
- As shown on the left, Michigan's unemployment rate is forecast to rise to 4.3 percent in 2023 and to 4.8 percent in 2024 before falling to 4.3 percent in 2025.

April 2023 Summary

Unemployment Rate Estimates

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- The monthly Michigan unemployment rate estimate fell to 3.8 percent in April. The three-month average of the Michigan unemployment rate was 4.1 percent for March. Compared to last April, the three-month average was unchanged. Compared to the pre-pandemic February 2020 rate, the current average is up 0.3 of a percentage point.
- The average number of people employed in Michigan between January 2023-March 2023 was 96,800 lower than the number employed in February 2020. Compared to the three-month average of people employed between February 2022-April 2022, the current three-month average is up 18,600 people. The January 2023-March 2023 average of people unemployed is 10,400 people higher than the number of unemployed in February 2020.
- The U.S. unemployment rate fell to 3.4 percent in April. April's national jobless rate is 0.2 of a percentage point lower than the April 2022 rate (3.6 percent) and is 0.1 percentage point lower than the February 2020 rate (3.5 percent).
- Both the Michigan and U.S. labor force participation rates, while rising from earlier troughs, remain significantly lower than their pre-pandemic participation rates.



Employment by Place of Residence (in Thousands)^(a)

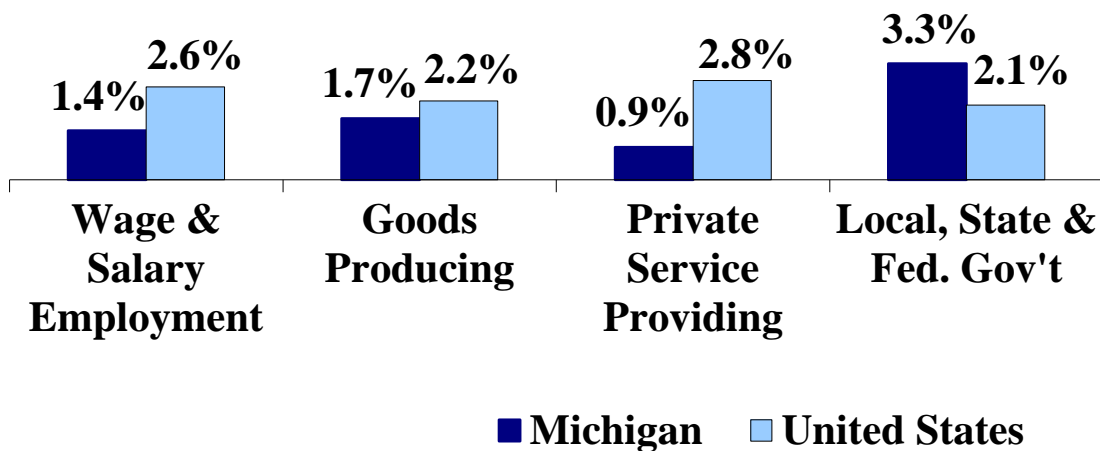
	Annual 2022	Feb 2023	Mar 2023	Apr 2023	Chg Fr Mo Ago Level	Chg Fr Mo Ago %	Chg Fr Yr Ago Level	Chg Fr Yr Ago %	Three Month Average
Michigan									
Labor Force	4,836	4,842	4,851	4,869	18	0.4%	26	0.5%	4,854
Employed	4,633	4,635	4,652	4,682	30	0.6%	32	0.7%	4,656
Unemployed	203	207	200	186	-14	-7.0%	-6	-3.4%	198
Unemployment Rate	4.2%	4.3%	4.1%	3.8%	n.a.	-0.3% pts	n.a.	-0.2% pts	4.1%
United States									
Labor Force	164,287	166,251	166,731	166,688	-43	0.0%	2,738	1.7%	166,557
Employed	164,287	160,315	160,892	161,031	139	0.1%	3,049	1.9%	160,746
Unemployed	5,996	5,936	5,839	5,657	-182	-3.1%	-311	-5.2%	5,811
Unemployment Rate	3.6%	3.6%	3.5%	3.4%	n.a.	-0.1% pts	n.a.	-0.2% pts	3.5%

Employment by Place of Work (Payroll)

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- Compared to April 2022, Michigan payroll employment was up by 60,700 jobs (1.4 percent). State payroll employment rose by 5,200 jobs in April 2023 from March 2023. Nationally, April 2023 payroll employment was up by 4.0 million jobs (2.6 percent) from a year ago. National employment rose 253,000 jobs in April.

Payroll Employment Growth



- In the goods-producing sector, Michigan payroll employment increased 1.7 percent in April from a year ago; employment in the private service-providing sector rose 0.9 percent. From a year ago, April national payroll employment rose 2.2 percent in the goods-producing sector and increased 2.8 percent in the private service-providing sector.
- At 41.9 hours, manufacturing weekly hours in Michigan were down 0.9 hours from last year.

Wage and Salary (Payroll) Employment (in thousands)^(b)

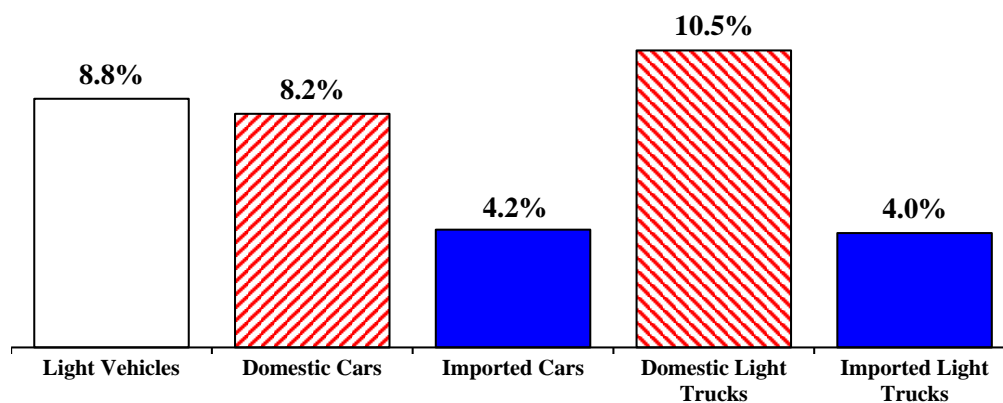
	2022 <u>Annual</u>	MI Apr <u>2022</u>	MI Apr <u>2023</u>	Percent <u>Change</u>	2022 <u>Annual</u>	US Apr <u>2022</u>	US Apr <u>2023</u>	Percent <u>Change</u>
Wage & Salary Employment	4,362.2	4,359.3	4,420.0	1.4%	152,575	151,678	155,673	2.6%
Goods Producing	794.3	792.3	806.1	1.7%	21,178	21,064	21,536	2.2%
Manufacturing	603.2	601.7	607.5	1.0%	12,825	12,768	12,991	1.7%
Private Service Providing	2,978.2	2,981.6	3,009.2	0.9%	109,226	108,513	111,567	2.8%
Trade, Trans. & Utilities	804.0	808.2	810.2	0.2%	28,643	28,621	28,878	0.9%
Services	1,885.8	1,883.2	1,914.1	1.6%	68,465	67,823	70,471	3.9%
Local, State & Fed. Gov't	589.8	585.4	604.7	3.3%	22,171	22,101	22,570	2.1%
Manufacturing Weekly Hours	41.8	41.9	41.0	-0.9 hrs	41.0	41.3	40.6	-0.7 hrs

Motor Vehicle Sales Up From Last Year

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- The U.S. light vehicle sales rate rose to 15.9 million units between March and April. Compared to a year ago, April 2023 sales were up 11.4 percent.
- U.S. sales of domestic light vehicles rose 12.4 percent from last April while foreign sales increased 7.6 percent. In April 2023, at 20.0 percent, the foreign share of U.S. light vehicle sales was down 0.7 of a percentage point from a year earlier.
- Auto sales were up 13.3 percent from last April, while light truck sales increased 10.9 percent from April 2022. Year-over-year, heavy truck sales were up 23.4 percent from last April.
- Motor vehicle and parts dealer inventories were up 22.4 percent from last March.

Year-to-Date Vehicle Sales Up From A Year Ago



Motor Vehicle Sales Statistics

(Millions, Seasonally Adjusted Rates, unless otherwise specified)

	<u>2022</u> <u>Total</u>	<u>Feb</u> <u>2023</u>	<u>Mar</u> <u>2023</u>	<u>Apr</u> <u>2023</u>	<u>3 Month</u> <u>Average</u>	<u>Apr</u> <u>Chg fr</u> <u>Yr Ago</u> <u>Level</u>	<u>Apr</u> <u>Chg fr</u> <u>Yr Ago</u> <u>%</u>
Autos	3.4	2.9	3.0	3.3	3.1	0.4	13.3%
Domestics	2.4	2.1	2.2	2.5	2.2	0.4	19.0%
Imports	1.0	0.8	0.8	0.8	0.8	(0.0)	-1.2%
Import Share	29.1%	28.6%	26.1%	24.5%	26.3%	-3.6% pts	
Light Trucks	11.6	12.0	11.9	12.6	12.2	1.2	10.9%
Domestics	9.0	9.8	9.6	10.3	9.9	1.0	10.9%
Imports	2.6	2.2	2.2	2.4	2.3	0.2	11.0%
Import Share	22.3%	18.7%	18.9%	18.8%	18.8%	0.0% pts	
Total Light Vehicles	14.9	14.9	14.8	15.9	15.2	1.6	11.4%
Heavy Trucks	0.5	0.5	0.5	0.6	0.5	0.1	23.4%
Total Vehicles	15.4	15.4	15.3	16.5	15.7	1.7	11.8%

Retail Inventories, Motor Vehicle and Parts Dealers (billions of dollars) ^(d)

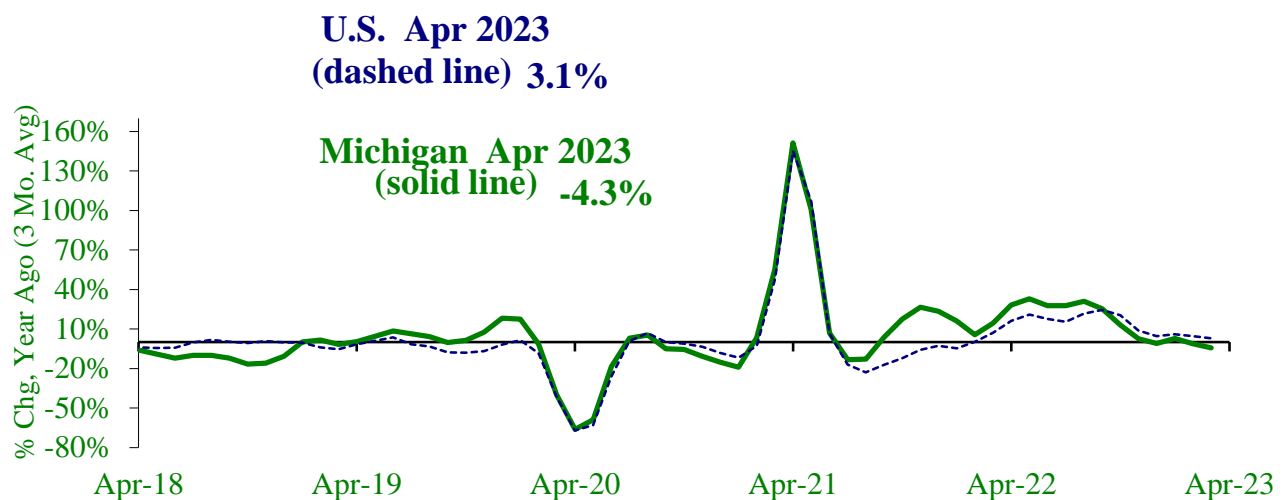
	<u>2022</u> <u>Average</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>3 Month</u> <u>Average</u>	<u>Chg fr</u> <u>Year Ago</u> <u>Level</u>	<u>Chg fr</u> <u>Year Ago</u> <u>%</u>
Inventories	\$181.4	\$203.0	\$205.8	\$209.1	\$206.0	\$38.3	22.4%
Inventory/Sales Ratio	1.42	1.53	1.57	1.62	1.57	0.29	

Michigan Vehicle Production Down from Year Ago

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- Michigan vehicle production was down 11.5 percent from April 2022 while national vehicle production was up 0.7 percent from last April. In April 2023, Michigan vehicle production totaled 158,109 units.
- In April 2023, auto production fell 6.1 percent year-over-year (y-o-y) in Michigan and was up 1.7 percent nationally; truck production decreased 11.8 percent in Michigan and was up 0.4 percent nationally.
- Comparing the three-month average of vehicle production in February 2023-April 2023 to production in February 2022-April 2022, Michigan's average production was down 4.3 percent while average production increased 3.1 percent nationally.

Three-Month Average of Michigan Vehicle Production Down Slightly from Year Ago in April



Motor Vehicle Production Statistics

(Thousands, unless otherwise specified)

	2021 Monthly Average	Feb 2023	Mar 2023	Apr 2023	3 Month Average	Apr Level Chg fr Yr Ago	Apr % Chg fr Yr Ago
U.S. Production ^(e)							
Autos	136.6	158.7	167.8	154.2	160.2	2.5	1.7%
Trucks	619.2	677.6	793.6	687.7	719.6	3.0	0.4%
Total	755.8	836.4	961.3	841.9	879.9	5.5	0.7%
Michigan Production ^(f)							
Autos	11.4	15.5	19.4	10.5	15.1	(0.7)	-6.1%
Trucks	143.4	154.5	168.8	147.6	157.0	(19.8)	-11.8%
Total	154.8	170.0	188.3	158.1	172.1	(20.5)	-11.5%
Michigan as % of U.S.	20.5%	20.3%	19.6%	18.8%	19.6%	-2.6% pts	

U.S. Economic Conditions

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	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>Change from Year Ago</u>
KEY ECONOMIC INDICATORS					
Consumer Sentiment ^(h)	64.9	67.0	62.0	63.5	-1.7 points
ISM Manufacturing Index ⁽ⁱ⁾	47.4	47.7	46.3	47.1	-8.8 points
ISM Non Manufacturing Index ⁽ⁱ⁾	55.2	55.1	51.2	51.9	-5.6 points
INFLATION ^(k)					
1982-84 = 100 (CPI)	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>Change from Year Ago</u>
Nov 2009 = 100 (PPI)					
U.S. Consumer Price Index	299.2	300.8	301.8	303.4	4.9%
Detroit CPI	NA	276.7	NA	282.5	6.6%
U.S. Producer Price Index	140.7	141.0	141.1	141.4	2.3%
INTEREST RATES					
90 Day T-Bill ^(l)	4.54%	4.65%	4.69%	4.92%	4.16% points
10 Year Treasury Securities ^(l)	3.53%	3.75%	3.66%	3.46%	0.71% points
INDUSTRIAL PRODUCTION ^(l)	102.5	102.5	102.5	103.0	0.2%
CAPACITY UTILIZATION ^(l)	79.6%	79.5%	79.4%	79.7%	-1.0% points
RETAIL SALES ^(d)	\$692.5	\$687.9	\$683.2	\$686.1	1.6%
HOUSING STARTS and SALES					
(Millions Annual Rate)	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>% Change From Year Ago</u>
Housing Starts ^(d)	1.340	1.436	1.371	1.401	-22.3%
Existing Home Sales ^(m)	4.000	4.550	4.430	4.280	-23.2%
DURABLE GOODS ORDERS ^(d)	\$278.4	\$270.8	\$279.9	\$283.0	4.2%
PERSONAL INCOME ^(c)					
(Billions, Seasonally Adj & Annualized)	<u>2022.2</u>	<u>2022.3</u>	<u>2022.4</u>	<u>2022.4</u>	<u>% Change From Year Ago</u>
Michigan	\$566.8	\$573.7	\$579.5	\$579.5	4.8%
U.S.	\$21,575.4	\$21,964.6	\$22,361.4	\$22,361.4	5.7%
GROSS DOMESTIC PRODUCT ^(c)					
(Billions of Chained 2012	<u>2022.2</u>	<u>2022.3</u>	<u>2022.4</u>	<u>2023.1</u>	<u>Annualized % Chg From Last Qtr</u>
Dollars, Seasonally Adj & Annualized)	\$19,895.3	\$20,054.7	\$20,182.5	\$20,246.4	1.3%

- (a) Seasonally adjusted. Sources: Bureau of Labor Statistics, U.S. Department of Labor and Michigan Department of Technology, Management and Budget.
- (b) Bureau of Labor Statistics, U.S. Department of Labor (BLS 790).
- (c) Bureau of Economic Analysis, U.S. Department of Commerce.
- (d) Bureau of the Census, U.S. Department of Commerce. Seasonally adjusted.
- (e) Automotive News.
- (f) Michigan Department of Treasury.
- (g) Michigan Department of Technology, Management and Budget.
- (h) University of Michigan Survey of Consumers.
- (i) Institute for Supply Management (ISM), formerly NAPM.
- (j) The Conference Board.
- (k) Bureau of Labor Statistics, U.S. Department of Labor.
- (l) Seasonally adjusted rates (except interest rates). Federal Reserve System Board of Governors. 2012 equals 100. Treasury bill rate (secondary market).
- (m) National Association of Realtors.
- (n) Consensus Revenue Estimating Executive Summary May 19, 2023.